GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4180
ANSWERED ON:15.12.2000
TAX DISPUTE SETTLEMENT SCHEME
PUNNULAL MOHALE

Will the Minister of FINANCE be pleased to state:

(a) the objectives of the `Tax dispute Settlement Scheme` launched by the Government;

(b) whether this scheme has been successful;

(c) if so, the extent thereof; and

(d) the companies whose tax disputes have been settled under this scheme during the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI GINGEE N. RAMACHANDRAN)

(a) to (d):- The Government had launched `The Kar Vivad Samadhan Scheme`as a part of the Budget Proposals 1998-99 as incorporated in Chapter-V of the Finance (No. 2) Act, 1998. The Scheme was in operation from 01.09.1998 to 31.01.1999. The basic objectives of the Scheme as explained by the Finance Minister`s Budget Speech were to bring down the pending litigation/disputes between the Department and the assesses both on the direct tax and indirect taxes side, declog the appellate and judicial system as well as to speedily realize the arrears of taxes locked up in various disputes. The scheme attained a reasonable degree of success which is evident from collection of taxes amounting to Rs. 738.74 crores and settlement of 33,918 disputes under the direct tax enactments and similarly, collection of taxes amounting to Rs 643.80 crores and settlement of 11,159 disputes under the indirect tax enactments pending before different adjudicating/appellate authorities or courts. In all, over 45,000 disputes were settled under the scheme both under the direct tax enactments and indirect tax enactments.